

# Where Does Your Business Need to Double Up?

Time	Script
00:00	<p><b>Jack Levis:</b> The value of one mile is 50 million dollars.</p> <p><i>MUSIC</i></p> <p><b>JOSH:</b> This is Jack Levis. He's retired now, but for almost 43 years, Jack was the Senior Director of Engineering at UPS... which basically means it was his job to streamline...to make UPS more efficient and more productive.</p> <p><b>JACK LEVIS:</b> If we can reduce just one mile per driver per day, and that's in the United States alone, we can impact the bottom line by 50 million dollars at the end of the year. That's just one mile.</p> <p><b>ELISE: In 2003,</b> Jack and UPS chief Scientist Ranga Nuggehalli found themselves walking through a park in Seattle – which just so happens to commemorate the very birthplace of UPS – and they were having a conversation that would change UPS forever.</p> <p><b>JACK LEVIS:</b> And we're sitting there walking through the waterfall park and we're discussing, "Are we done? You know, is there any more that UPS can do to improve productivity?" And Ranga wanted to talk to me about</p>

Time	Script
01:00	<p>complexity, and the Traveling Salesman Problem. And this was an "Aha!" for me.</p> <p><i>MUSIC</i></p> <p><b>JOSH:</b> The Traveling Salesman Problem dates back to the 1800s, and it still baffles mathematicians. It goes like this: A traveling salesman needs to visit several cities before returning back home. What's the shortest route?</p> <p><b>ELISE:</b> It sounds like it should be pretty straightforward, but it's not. Because as you increase the number of cities, the possible number of routes... explodes.</p> <p><i>MUSIC</i></p> <p><b>JACK LEVIS:</b> So think about this. If you have three things to do, there's only six ways to do it. If you move up to 10 things, like your chores on a weekend, you can do that 3.6 million different ways.</p> <p><b>JOSH:</b> It goes up from there. Take 12 tasks, for example. There's 479 million different ways to do 12 tasks.</p> <p><b>ELISE:</b> Now, consider a UPS driver's daily route. The average driver delivers 120 stops per day.</p> <p><i>MUSIC</i></p>
02:00	<p>So...How many possible routes are there to deliver 120 stops?</p> <p><b>JACK LEVIS:</b> That might as well be infinite.</p> <p><i>MUSIC</i></p> <p>That's a 199 digit number.</p> <p><b>ELISE:</b> You see where this is going for a company like UPS — or any company whose success depends on efficiency, whether that's delivery routes or supply chains or order fulfillment. As the number of tasks increases, finding the best possible solution grows exponentially more complex.</p> <p><b>JACK LEVIS:</b> There's no way that a human could think through all these options on their own. This is more options than the number of particles in the universe. It's an unthought of problem.</p> <p><b>JOSH:</b> And it's in this unthought-of-problem that Jack and Ranga see an opportunity — one that, ultimately, would use an innovative technology strategy to make UPS more productive, profitable — and, incidentally, more sustainable.</p>

Time	Script
03:00	<p><i>THEME MUSIC</i></p> <p><i>INTRO</i></p> <p><b>ELISE:</b> I'm Elise Hu.</p> <p><b>JOSH:</b> And I'm Josh Klein</p> <p><b>ELISE:</b> And this is Built for Change, a podcast from Accenture.</p> <p><i>MUSIC</i></p> <p><b>ELISE:</b> So for a long time, for decades, what we've seen in the business world, Josh, is this idea that, "Hey, we should save the planet, but it costs a lot of money."</p> <p><b>JOSH:</b> Yeah.</p> <p><b>ELISE:</b> Sustainability is seen as kind of a cost, a trade-off.</p> <p><b>JOSH:</b> Yeah. Yeah. I mean for a long time environmentalism meant that you put the color green on your labels. Right? Like, it was not really a big investment.</p> <p><b>ELISE:</b> Or it was performative, and not systemic.</p> <p><b>JOSH:</b> Right? Like, who really cares if we were to completely retool our supply chain. And, I think the answer is, now...</p> <p><b>ELISE:</b> People care.</p> <p><b>JOSH:</b> A lot of people care.</p> <p><b>ELISE:</b> Yeah, could we essentially be arriving at a moment where we can throw away that idea, this old idea, of tradeoff between sustainability and profitability?</p> <p><b>JOSH:</b> Yeah. That's what we're going to be talking about today. In this episode, we're going to talk about a new take on sustainability strategy. We're going to talk about how companies can leverage technology to make sustainability</p>
04:00	<p><i>a business opportunity, rather than a tradeoff. That is what Accenture calls a Twin Transformation.</i></p> <p><i>THEME STING</i></p>

Time	Script
	<p><i>ACT I</i></p> <p><b>JEAN-MARC OLLAGNIER:</b> For many years, people see sustainability and profitability as not necessarily going together.</p> <p><b>JOSH:</b> Jean-Marc Ollagnier is the CEO of Accenture in Europe, and he’s been watching companies grapple with the sustainability versus profitability equation for years.</p> <p><b>JEAN-MARC OLLAGNIER:</b> Many companies were focused on delivering the right business outcome, the right performance. I mean, the economic performance as the real goal.</p> <p><b>JOSH:</b> Now, Jean-Marc says this dynamic is changing. And, it's mostly because of a new generation of consumers who are demanding sustainable business.</p> <p><b>JEAN-MARC OLLAGNIER:</b> There is a generation that have different aspiration as customer, as employee, and as citizen. And the recipe of success is to be sure that your company is geared</p>
05:00	<p>toward that new demand because that demand is the one that will grow and that demand is setting the tone for your different markets.</p> <p><i>MUSIC</i></p> <p><b>JOSH:</b> But it’s not only this new generation who care deeply about the environment. In the last decade or so there’s been a growing acknowledgement among business leaders that sustainability just makes good business sense.</p> <p><b>JEAN-MARC OLLAGNIER:</b> The reality is that the leading companies have 2.5 more chance to have a sustainable and profitable growth in the longer term if they approach sustainability and digital in a combined way and embed this in every part of what they do.</p> <p><b>JOSH:</b> So, Jean-Marc’s research shows that companies can achieve sustainability goals without losing performance, BUT in order to be successful, businesses must couple their sustainability strategy with their technology strategy. Leading to what Accenture calls the Twin Transformation.</p> <p><b>JEAN-MARC OLLAGNIER:</b> This is a combination that is successful.</p>

Time	Script
06:00	<p>This is the combination that will provide you with the right competitiveness, and deliver the right business outcome.</p> <p><i>MUSIC</i></p> <p><b>JOSH:</b> Like many other things, the pandemic highlighted the need for companies to compete on both technology and sustainability.</p> <p><b>JEAN-MARC OLLAGNIER:</b> I think COVID create another level of pressure in the sense that company realize that they were having some fragility that will require them to accelerate. Climate change was not new, it was already there. Technology innovation was not new, it was already there and it was obvious that there was an acceleration. But it has been more than that. It has been a realization by many executive leaders that now is the time.</p> <p><b>JOSH:</b> Jean-Marc says that there’s a particular opportunity for European companies to capitalize on this strategy, using it as a springboard into post-pandemic recovery.</p> <p><b>JEAN-MARC OLLAGNIER:</b> There is a specific context in Europe where clearly,</p>
07:00	<p>companies, government, employees and citizens has been very sensitive on climate change, on sustainability agenda, since quite a long time. This is something on their mind. This is something that is important.</p> <p><b>JOSH:</b> When it comes to sustainability initiatives, Europe has a head start. But there’s a disconnect. 'Cause, despite the culture of environmentalism, Europe lags in technology investment.</p> <p><b>JEAN-MARC OLLAGNIER:</b> Many of them realize that because they underspent in technology for a couple of years, compared to some of their peer group in Asia or in US, they absolutely need to catch up.</p> <p><i>MUSIC</i></p> <p><b>JOSH:</b> European companies have a unique opportunity, but globally, all companies, of all sizes, in all industries need to be thinking about the twin transformation. It’s the blueprint for future success, on all fronts. The bottom line is: organizations can’t succeed without a healthy planet, and the health of the planet depends on the actions that organizations take.</p> <p><i>MUSIC</i></p> <p><b>JEAN-MARC OLLAGNIER:</b> Climate change will require</p>

Time	Script
08:00	<p>the mobilization of every stakeholder whether it's from the government, NGOs, businesses, and frankly, all of us as citizen. So what this twin transformer will give is a great contribution from the business to do the right thing for the planet. And frankly, we need every part, every stakeholder needs to do his part if we want to achieve the right outcome, and the right agenda for the planet.</p> <p><b>ELISE:</b> So, it's really exciting to see that cost is no longer going to be touted as an excuse, right, to not choose sustainability measures, and not implement them. And I think it's gonna be even cooler to see what businesses come up with technologically to make their sustainability efforts profitable.</p> <p><b>JOSH:</b> Yeah. I mean, they've certainly got more options from the tech side than ever before. But, what I think is really interesting is what's driving the markets that are then creating this opportunities for companies, which is better-educated consumers. They've got access to more data and more ways to look at it than ever before.</p> <p><b>ELISE:</b> We're smarter now.</p> <p><b>JOSH:</b> Absolutely.</p>
09:00	<p><b>ELISE:</b> Yeah, but it all begs this question, right: so, if you're a business looking to make this change and combine sustainability ideas with technology, how does one do that?</p> <p><b>JOSH:</b> Yes. That's the question. And that's what we're going to talk about next: How do you start on a Twin Transformation journey?</p> <p><i>ACT II</i></p> <p><b>JEAN-MARC OLLAGNIER:</b> You need to have the right vision.</p> <p><b>JOSH:</b> Here's Jean-Marc Ollagnier again.</p> <p><b>JEAN-MARC OLLAGNIER:</b> You need to mobilize a team in order to be sure that this is where we go because this is where we believe the market will go and this is how we should position the company.</p> <p><b>JACK LEVIS:</b> Our founder, Jim Casey talked about this. He said that inspiration and enthusiasm are of little value unless it brings us to action and accomplishment.</p> <p><b>JOSH:</b> That's UPS's Jack Levis again.</p> <p><b>JACK LEVIS:</b> We all hear the buzzwords: IoT, AI, big data. They all have a place. I mean, they're all important, but all of those things are hows, they're not whats. The what is the better</p>

Time	Script
10:00	<p>decision. The what is the business impact. And I believe that if you focus on whats, the hows become apparent.</p> <p><b>JOSH:</b> Jack says that UPS has always had a strong vision. They championed efficiency, and they continuously invested in technology that would improve operations. And they didn't believe that there needed to be a tradeoff between customer service, profit, and sustainability.</p> <p><b>JACK LEVIS:</b> Don't come to me and say, "Should we have reduced cost or better service?" The answer's, "Yes." Do you want higher profits or sustainability? The answer is, "Yes."</p> <p><i>MUSIC</i></p> <p><b>JOSH:</b> The idea was to use technology to avoid tradeoffs. And it was that goal that was on his mind way back in 2003 sitting in that park in Seattle, dreaming up an algorithm that would take ten years to build. It's called ORION, for On-Road Integrated Optimization and Navigation, and it would make UPS an early leader by</p>
11:00	<p>demonstrating the power of tech to reach sustainability goals.</p> <p><b>JACK LEVIS:</b> I spun off a team of only three people to evaluate this, but I had no idea of the ride and the journey we were in. The complexities were staggering.</p> <p><b>JOSH:</b> I want to take some time to dig into these complexities. Because building an algorithm that could optimize UPS delivery routes wasn't actually as straightforward as addressing the Traveling Salesman Problem... which itself, isn't straightforward at all, because, as we mentioned before, it is still unsolved by mathematicians. This was a Traveling Salesman problem with time constraints.</p> <p><b>JACK LEVIS:</b> If a customer has a package that has to be delivered by 10:30, you don't want to go and plan the delivery at 10:29.</p> <p><b>JOSH:</b> Because some UPS stops have to happen at certain times. ORION needed to consider those midday deadlines when calculating the best route. But it turns out, the complications went further.</p>

Time	Script
12:00	<p>First, there was the problem with maps....</p> <p><b>Jack Levis:</b> You know, you ever use a nav system that doesn't get you effectively from one place to another, or it says, "You've arrived," and you haven't? For you in your car, that's an annoyance, but for an algorithm, it's a disaster.</p> <p><b>JOSH:</b> So Jack's team had to stop and actually fix the maps. They patented a process that used historical UPS data to create the most accurate maps in the world that could support ORION. Next, they needed to teach the algorithm all the things that a UPS driver inherently knows. Like, don't turn left.</p> <p><i>MUSIC</i></p> <p><b>JACK LEVIS:</b> A left-hand turn takes more time than a right-hand turn. It uses more fuel than a right-hand turn, and it's less safe than a right-hand turn.</p> <p><b>JOSH:</b> But there's so much more. A driver knows that it's best to deliver to corporate customers earlier in the day. And they also know the hours</p>
13:00	<p>that the supermarket loading docks are free. After battling with these complications for three years, it started to feel like the ORION problem was just unsolvable. At one point, they had to scrap their work and start from scratch. And it was around this time that Jack Levis probably seemed like a madman to many of his colleagues. And it might seem strange to the outside world that a company would even allow a group of employees to toil for years on a problem that many would consider to be unsolvable, but the company's vision was clear. It knew that investing in operations research would be their cutting edge. It knew that the little things had a dramatic impact. And eventually.... they cracked it. By 2007, Jack's team had created an ORION that worked.</p> <p><b>JACK LEVIS:</b> It started to think like a driver instead of thinking like an algorithm.</p>



Time	Script
14:00	<p><i>MUSIC</i></p> <p><b>JOSH:</b> Over the next five years, Jack’s team grew - at one point, to over 700 people, all building a smarter, more powerful ORION. And today, ORION is a real-time tool that constantly reevaluates routes based on...if a customer adds a last-minute pickup, or as traffic conditions change, or based on what a driver decides to do in a given situation. In the end, even the way the drivers use the tool...makes it even more powerful.</p> <p><b>JACK LEVIS:</b> UPS will run ORION 30,000 times a minute today. While the driver is driving to their next stop, ORION is calculating in the background, "How do I handle all of these changes? How do I keep you efficient?" The driver no longer needs to think through how I'm going to make this work, and that helps ease some drivers' stress,</p> <p><b>JOSH:</b> After 10 years of trials and failures, ORION became a success. Now, not only does the algorithm work, but it adds</p>
15:00	<p>new services for customers, AND, it reduces more miles than Jack or anyone on his team could have predicted.</p> <p><b>JACK LEVIS:</b> ORION alone has reduced a hundred million miles driven a year. That's a hundred thousand metric tons of CO2 not going to the atmosphere, 10 million gallons of fuel not being purchased, all at the same time, improving customer experience.</p> <p><b>JOSH:</b> Because despite the ups and downs, UPS’s clear-sighted vision that technology could improve their company’s operations, it was like a beacon, or guiding light for their employees like Jack Levis to keep improving, to keep optimizing, and ultimately to solve an un-thought-of problem.</p> <p><b>JACK LEVIS:</b> Yeah, I think I get too much credit. But I, you know what I feel like? I feel like the dad that, you know, raised their kid, made mistakes, but you watch your kid go out and</p>

Time	Script
16:00	<p>you get a little smile on your face when you see people saying, you know, "That's a pretty good thing." Your technology strategy, your business strategy, your analytic strategy, which you should have, and your sustainability strategy are all the same. They all work together. It was never, "Am I going to do customer service or am I going to do environmental or am I going to do reduce cost?" It was always and, together, they just came together.</p> <p><b>ELISE:</b> You can almost imagine the movie montage, right, of the scrappy team trying and trying again, and not quite cracking ORION.</p> <p><b>JOSH:</b> Right.</p> <p><b>ELISE:</b> For ten years they're working at this. And then, they figure it out.</p> <p><b>JOSH:</b> [laughs] The thing that I find interesting about it is UPS got through ten years of slogging to make this solution by keeping this laser-sharp vision on continuous investment in efficiency. And as a, almost as a side effect, they had massive improvements in sustainability.</p>
17:00	<p><b>ELISE:</b> Right. So, UPS, to be fair, wasn't explicitly thinking about sustainability. They were thinking about no trade-offs.</p> <p><b>JOSH:</b> Right</p> <p><b>ELISE:</b> The challenge though, that seems so obvious is that because technology changes so fast, companies don't necessarily have expertise in all aspects of technology and sustainability at the same time.</p> <p><b>JOSH:</b> True.</p> <p><b>ELISE:</b> That sounds hard.</p> <p><b>JOSH:</b> Yeah. I mean, you, you can't do everything well. Fortunately, there may be an answer. So, that's what we're going to talk about next is how companies can sustain their Twin Transformation through ecosystem partnerships.</p> <p><i>MUSIC</i></p> <p><i>ACT III</i></p> <p><b>JEAN-MARC OLLAGNIER:</b> You know, it's very rare that on any of the changes we are dealing with today, this is just embedded in one organization that can control end-to-end the entire process.</p>

Time	Script
	<p><b>JOSH:</b> That's Accenture's Jean-Marc Ollagnier again.</p> <p><b>JEAN-MARC OLLAGNIER:</b> So you need to define what is the part of the transformation you own, fully own, and what is the part of the transformation that we co-design, co-create, co-implement with different partner.</p>
18:00	<p><b>JOSH:</b> So, after setting a direction with a clear vision, a Twin Transformer has to find a way to scale their transformation, and you can do that by building an ecosystem. That means, identifying partners who are experts at their game, to help you scale faster than you could on your own.</p> <p><i>MUSIC</i></p> <p><b>STEVE WILHITE:</b> I think when you feel the pressure coming from customers, supply chain, investors, communities, and, and all of those things start to circle. I think every company is stepping back saying, okay, I need to get out ahead of this, uh, as opposed to trying to lead from behind.</p> <p><b>JOSH:</b> This is Steve Wilhite, the Senior Vice President of Energy and Sustainability Services at Schneider Electric. He's talking about the pressure on companies to shift to renewable energy.</p> <p><b>STEVE WILHITE:</b> And you see companies all over the place, making declarations now, of wanting to be a hundred percent green or a hundred percent renewable by such and such a time. So we have seen that shift take place</p>
19:00	<p>firsthand, over the last decade, but seriously accelerate in the last few years in a big way.</p> <p><b>JOSH:</b> Schneider Electric is a company that specializes in helping their clients get access to affordable, sustainable energy, and then using that energy efficiently. So it's no surprise that the increasing pressure from stakeholders to prioritize sustainability has led a lot of companies to Schneider's front door.</p> <p><b>STEVE WILHITE:</b> If I think back on this conversation 10 years ago and how fast it's evolved and come in the last 10 months, even in the context of a global pandemic, it is stunning.</p> <p><b>JOSH:</b> Managing energy purchasing is so much more complicated than you might imagine. And going green also requires a lot of know-how and technology that many companies just don't have. And that's where Schneider Electric comes in.</p> <p><i>MUSIC</i></p> <p><b>STEVE WILHITE:</b> Inside of our business, we apply data analytics and AI in a number of different ways.</p>

Time	Script
20:00	<p>If you step back and think about the number of sites that we're serving around the world, which measures in the hundreds of thousands, okay, we are taking essentially millions of data points a year on just the energy consumption at each of those facilities into our systems.</p> <p><b>JOSH:</b> Every year, Schneider deals with millions of data points on energy consumption. And the technology they've developed to monitor, manage and make those calculations on behalf of their clients -- is state of the art.</p> <p><b>STEVE WILHITE:</b> We will use artificial intelligence agents and bots to go in and learn that energy market. A client might say, "I don't want the pricing to get outside this particular range. I don't want my value at risk to exceed this level." So there's all kinds of constraints that we'll place on the agents or bots before we release them into a market to go figure out what's the optimal place to set, buy, and sell triggers.</p>
21:00	<p>We'll use AI to search websites, to pull down accurate pricing and utility rate and tariff information so that we can adjust and make sure that the client that we're serving is paying only what they should be.</p> <p><b>JOSH:</b> And even after Schneider helps a partner buy the energy, they can make sure the energy is being used efficiently — which turns out to be a very valuable service for big companies who deal with smaller vendors.</p> <p><b>STEVE WILHITE:</b> If it's not cost effective for some of the largest consumers in the world to have their own internal resources doing that, it's certainly not cost effective for your small manufacturing plant.</p> <p><i>MUSIC</i></p> <p>JOSH: Walmart is one of Schneider Electric's partners – and a leader on sustainability in their own right. A decade ago, Walmart was one of the first global companies to recognize its supply chain footprint – and to begin expecting its supply chain partners to “go green”. So, Walmart created Project Gigaton, which is an initiative to avoid one billion metric tons of greenhouse gases from the Walmart supply chain by 2030.</p>

Time	Script
22:00	<p>And so, as a part of Project Gigaton, Walmart is working with Schneider Electric to help its U.S. suppliers cost-effectively transition to green energy – some of whom are too small to do so on their own.</p> <p><b>STEVE WILHITE:</b> So essentially what it is is Walmart saying, look, we'd like to work with our supply chain to create a purchase power agreement that many of you large and small would have access to, to jump in together in an aggregated PPA type of format.</p> <p><b>JOSH: A</b> PPA is a long-term power purchase agreement, and it's a great way to get green energy at scale. But, there can be barriers to PPA market participation, especially for smaller businesses. The Walmart-Schneider Electric program, called the Gigaton PPA, allows Walmart's suppliers to pool together to overcome those market barriers so they can enter into a PPA, and also tap into Schneider's expertise.</p> <p><b>STEVE WILHITE:</b> Right now I feel like what we're doing in conjunction with Walmart is opening up a whole new world for players that did not necessarily have access</p>
23:00	<p>to get access to something pretty special. And to be able to not just say that they are a part of it and help drive additional green resources on the grid, but truly do it and do it at a cost-effective level. So in some cases it may be less than what they'd be paying for fossil fuels.</p> <p><i>MUSIC</i></p> <p><b>JOSH:</b> To date, over 2,300 suppliers from 50 countries are participating in Project Gigaton. They have already reported preventing a total of 230 million metric tons of CO2 emissions since 2017. That's over 20% of the target. And Walmart and Schneider Electric are hopeful that the Gigaton PPA program will drive even more participation and progress.</p> <p><b>STEVE WILHITE:</b> You know, we, we look at it like we are just helping this ecosystem advance dramatically, uh, in a very short period of time.</p> <p><b>JOSH:</b> Schneider Electric has defined their market. They're utilizing the power of advanced technology to offer the service that the whole world is demanding:</p>

Time	Script
24:00	<p>affordable, green energy. And all of the companies, like Walmart and its suppliers, that partner with Schneider, they also get to tap into this expertise. It's Schneider's Twin Transformation that's allowed them to scale, expand their ecosystem, and ultimately, let them deepen their impact.</p> <p><i>THEME MUSIC</i></p> <p><b>STEVE WILHITE:</b> Without the digitization, we're making fire by rubbing sticks together. And that might not be granted the greenest way to do it. It's the two paired together that make music.</p> <p><i>OUTRO</i></p> <p><b>ELISE:</b> <i>Yeah, It's pretty awesome what's happening</i></p> <p><b>JOSH:</b> Yes. Companies need to embed technology to create the sustainability business offerings that consumers are now demanding.</p> <p><b>ELISE:</b> Right. And that's not unlike UPS, right, because by using technologies these companies could achieve sustainability impact in a way that makes great business sense.</p> <p><b>JOSH:</b> Yeah. It's not out of guilt. It's seizing an opportunity.</p> <p><b>ELISE:</b> Right. So as companies recover from the pandemic, they need to completely rethink their sustainability strategies.</p>
25:00	<p><b>JOSH:</b> Yes. To become a Twin Transformer.</p> <p><b>ELISE:</b> Right. To learn more about the Twin Transformation, check out The European Double Up report at Accenture dot com slash Built For Change. It includes strategies like decentralizing ownership of KPIs, creating a transparent supply chain, and more.</p> <p><b>JOSH:</b> Thanks to Accenture's Jean-Marc Ollagnier.</p> <p><b>ELISE:</b> And to Jack Levis, and Steve Wilhite for talking to us!</p> <p><b>JOSH:</b> Built For Change is a podcast from Accenture.</p> <p><b>ELISE:</b> More episodes are coming soon. Follow, subscribe, and if you like what you hear, leave us a review.</p> <p><i>MUSIC OUT</i></p>